



Fiscal Note

Fiscal Services Division



[HF 2542](#) – Sentencing Enhancements, Repeat Offenders (LSB6837HV.3)
Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[House File 2542](#) requires a person convicted of a third qualifying felony to be sentenced as a habitual offender and to serve a minimum sentence of confinement of seven years under Iowa Code section [902.8](#) (Minimum Sentence — Habitual Offender). Under the Bill, earned time accrued pursuant to Iowa Code chapter [903A](#) cannot reduce the minimum sentence of confinement of seven years.

The Bill increases the maximum sentence of a habitual offender under Iowa Code section [902.9](#) (Maximum Sentence for Felons) from 15 to 20 years.

The Bill prohibits a deferred or suspended sentence for habitual offenders under Iowa Code section 902.8.

Background

Under current law, a habitual offender is any person convicted of a Class C or Class D felony who has twice before been convicted of any felony in a court of this or any other state or of the United States. A person sentenced as a habitual offender is not eligible for parole until the person has served the minimum sentence of confinement of three years. Additionally, the minimum sentence of a habitual offender under Iowa Code section 902.8 is three years and the maximum sentence of a habitual offender under Iowa Code section 902.9 is 15 years.

Under Iowa Code section [907.3](#) (Deferred Judgment, Deferred Sentence, or Suspended Sentence), the court may defer the sentence and assign the defendant to the judicial district department of correctional services (also known as the Community-Based Corrections District, or CBC District). The court may assign the defendant to supervision or services under Iowa Code section [901B.1](#) at the level of sanctions that the District department determines to be appropriate.

Figure 1 shows the average State cost per relevant offense. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections (DOC). The costs would be incurred across multiple fiscal years for prison and parole supervision.

Figure 1 — Average State Cost Per Offense

Offense Class	Average Cost
Class D Felony	\$13,000 to \$18,100
Class C Felony	\$15,000 to \$25,200

Correctional Data

- In FY 2025, there were 608 individuals who could meet the habitual offender conviction threshold with three or more convictions. Of the 608 individuals, 121 (20.0%) were sentenced as habitual offenders under Iowa Code section 902.8 and admitted to prison in FY 2025.
- The FY 2025 average length of stay (LOS) for a habitual offender under Iowa Code section 902.8 was 22.2 months (61.7% of the 36-month mandatory minimum sentence).
- In FY 2025, 146 new probation admissions were sentenced as habitual offenders under Iowa Code section 902.8.
- The average LOS for probation admissions for a felony conviction is approximately 43.2 months (1,314 days).
- From FY 2020 to FY 2025, 5,265 individuals met criteria for sentencing enhancement under Iowa Code section 902.8.

According to the DOC, as of April 16, 2026, the DOC's nine institutions are operating at a population of 8,871 individuals, which is 26.9% (6,990 individuals) over capacity. The current prison security level and approximate capacity for each facility is as follows:

- Anamosa State Penitentiary: medium, 908
- Clarinda Correctional Facility: medium, 750
- Fort Dodge Correctional Facility: medium, 1,162
- Iowa Correctional Institution for Women: medium, 654
- Iowa Medical and Classification Center: medium/minimum, 585
- Iowa State Penitentiary: maximum, 612
- Mount Pleasant Correctional Facility: minimum, 776, and minimum live-out, 164
- Newton Correctional Facility: medium, 762, and minimum, 252
- North Central Correctional Facility: minimum, 245

As of April 17, 2026, the DOC has 235.0 vacant full-time equivalent (FTE) prison positions statewide across all classifications, including 121.6 correctional officer FTE position vacancies.

New Prison Construction

On September 23, 2025, South Dakota enacted [SB 2](#), which appropriated \$650.0 million to the South Dakota Department of Corrections (SDDOC) for the construction of a new prison facility. The cost includes the construction of a men's correctional facility located on 176 acres of land in Sioux Falls, South Dakota, approximately 10 miles from the Iowa border. The prison is estimated to be 546,000 square feet, approximately 40 square feet per inmate, with a housing capacity of approximately 1,500 beds, including 1,200 beds built to house medium/maximum-security inmates and 300 beds built to house medium-security inmates (dorms). The prison has an estimated lifespan of 100 years. In FY 2025, the SDDOC was 35.0% over capacity with a population of 3,750 and stated capacity of 2,775.

Prison Infrastructure Fund

In 2008, the General Assembly authorized the Treasurer of the State to issue bonds for prison construction projects, specifically for the Iowa State Penitentiary at Fort Madison (2008 Iowa Acts, chapter [1179](#)). The Act created a Prison Bonding Fund to receive net proceeds of \$130.7 million from the bond issuance. Debt service on bonds issued for the Iowa State Penitentiary are paid with judicial branch revenue deposited into the Iowa Prison Infrastructure Fund under Iowa Code section [602.8108A](#). In FY 2026, the debt service payment totaled \$13.8 million. These bonds are expected to be paid off at the end of FY 2027.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner LOS; revocation rates; plea bargaining; and other criminal justice system policies and practices.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of the Bill to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the DOC for supervision during a selected time period, based on the most serious offense committed.
- 20.0% of all individuals convicted of three or more offenses will be sentenced as habitual offenders.
- Under current law, the average LOS of a prison admission under Iowa Code section 902.8 is 22.2 months (675 days). Under the Bill, the average LOS of a prison admission under Iowa Code section 902.8 will be a minimum of 100.0% (2,555 days) of the seven-year sentence. As a result, the average LOS of a prison admission will increase by a minimum of 29.6 months (1,880 days).
- The increased LOS for a habitual offender under Iowa Code section 902.9 is unknown.
- Current probation admissions sentenced as habitual offenders will be sentenced to prison under the Bill. Under current law, the average LOS of a prison admission under Iowa Code section 902.8 is 43.2 months (1,314 days). The average LOS for these individuals will increase by approximately 1,241 days under the Bill.
- The marginal cost per day for prison admissions is \$23.07.
- The marginal cost per day for probation admissions is \$8.00.
- According to the DOC, new maximum/medium-security prison(s) will need to be built and existing prison and facility housing will need to be expanded.
- Recidivism patterns remain constant.

Correctional Impact

According to the DOC and the Department of Management's Division of Data, Planning, and Improvement, the total prison population is projected to increase by approximately 4,363 individuals by FY 2030, representing an estimated 49.2% increase from the current population. The correctional impact of the Bill was estimated by applying the effects of the Bill to a status quo prison population baseline. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

House File 2542 enhances penalties related to habitual offenders and may disproportionately impact Black individuals if trends remain constant. Of the individuals eligible for the sentencing enhancement for FY 2025, 68.7% were White, 22.2% were Black, and 9.1% were other races. Iowa's population is 83.2% White, 4.2% Black, and 12.6% other races. Refer to the LSA memo

addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The cost increase per individual is approximately \$43,000 for prison admissions based on the increased LOS. In FY 2025, there was a total of 121 new prison admissions with an average LOS of 675 days. Under the Bill, the new LOS would be approximately 2,555 days. The cost increase under the Bill for the FY 2025 cohort admitted to prison would be approximately \$5.2 million over the entire LOS.

In FY 2025, 146 new probation admissions were sentenced as habitual offenders under Iowa Code section 902.8 with an average LOS of 1,314 days. The cost increase per individual is approximately \$48,000 for individuals who were previously admitted to probation but would be admitted to prison under the Bill. The total cost increase under the Bill for the FY 2025 probation cohort would be approximately \$7.1 million over the entire LOS.

The total combined cost increase under the Bill is approximately \$12.3 million over the entire LOS per admitted annual cohort.

Increased Prison Population

Due to the estimated increase to the prison population, additional housing will be necessary. To accommodate population growth, the DOC estimates the following additional housing requirements to existing prison infrastructure and new construction within the next five to seven years.

One-Time Construction Costs

To accommodate the projected increase of 4,363 additional individuals by FY 2030, the DOC estimates one-time capital costs for the following projects:

- 200 beds by restoration of the Clinical Care Unit (CCU) at Iowa State Penitentiary at an estimated cost of \$4.7 million.
- 500-bed housing unit added at Newton Correctional Facility (new construction) at an estimated cost of \$132.4 million. The DOC estimates that approximately five years will be needed to complete construction for this project.
- 256-bed housing unit added at Iowa State Penitentiary (new construction) at an estimated cost of \$65.2 million. The DOC estimates that approximately five years will be needed to complete construction for this project.
- Three new medium-security prisons with 1,162 beds each (3,486 beds total) (new construction) at an estimated cost of \$1.769 billion. The DOC estimates that construction will take five to seven years.

The total estimated one-time construction costs under the Bill are approximately \$1.972 billion.

For the new construction projects, the totals also include land acquisition and specialized consultancy fees. If required, prison construction will take multiple years to complete, which may create unexpected costs for county jails. According to the DOC, expanding existing housing units may take up to five years to complete, and new prison construction would require approximately five to seven years once funding is secured.

